



Redefining for a better future



**CONDENSED GROUP INTERIM  
FINANCIAL STATEMENTS**  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024



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The condensed group interim financial statements for the six months ended 30 September 2024 have been prepared under the supervision of the chief financial officer (CFO), C Cassim CA(SA) and were published on 30 January 2025.

The condensed group interim financial statements for the six months ended 30 September 2024 and 30 September 2023 have not been audited, reviewed or reported on by the external auditors of the group. The financial information for the year ended 31 March 2024 is as reflected in the audited financial statements.

# Approval of the condensed group interim financial statements

## Basis of preparation

The unaudited condensed group interim financial statements from page 3 to page 21 for the six months ended 30 September 2024 have been prepared in accordance with the recognition and measurement requirements of IFRS<sup>®</sup> Accounting Standards, the presentation and disclosure requirements of IAS<sup>®</sup> 34 *Interim Financial Reporting* and in the manner required by the Companies Act of South Africa, 71 of 2008 (Companies Act).

## Going concern

The board made an assessment of the ability of the group to continue as a going concern in the foreseeable future. The considerations, challenges and risks assessed by the board are detailed in note 2.1.

The board considered that there are uncertainties and dependencies that exist both from a timing of intervention perspective as well as whether the plans will materialise as anticipated.

The board has a reasonable expectation that the risks will be satisfactorily addressed with the mitigation strategies in place. The board continues to manage these strategies as a priority as it is important that they materialise as envisaged. The board assessed the current cash flow projections considering that future capital costs will be funded from cash from operations. The board concluded after carefully considering the progress of the initiatives included in note 2.1 and the continued financial support from the government through the debt relief arrangement that there is a reasonable expectation that the group has access to adequate resources and facilities to be able to continue its operations and fund the capital programme for the foreseeable future as a going concern. The condensed group interim financial statements have therefore been prepared on a going-concern basis.

## Approval

The board is of the opinion, based on the information available to date, that the condensed group interim financial statements fairly present the financial position of the group at 30 September 2024 and the results of the operations and cash flow information for the six months then ended. The condensed group interim financial statements have been approved by the board and signed on its behalf on 30 January 2025 by:



**M Nyati**  
Chairman



**DL Marokane**  
Group chief executive



**C Cassim**  
Chief financial officer

# Condensed group statement of financial position

at 30 September 2024

	Unaudited 30 September 2024 Rm	Audited 31 March 2024 Rm	Unaudited Restated <sup>1</sup> 30 September 2023 Rm
<b>Assets</b>			
<b>Non-current</b>	<b>740 133</b>	750 872	750 730
Property, plant and equipment and intangible assets	680 444	684 388	673 996
Future fuel supplies	6 661	6 782	4 759
Investment in equity-accounted investees	304	346	312
Inventories	14 525	13 297	12 574
Deferred tax	281	81	17 514
Derivatives held for risk management and embedded derivatives	18 228	29 367	25 329
Payments made in advance	1 746	1 793	2 166
Trade, finance lease, loan and other receivables	12 540	11 770	12 559
Investments	5 404	3 048	1 521
<b>Current</b>	<b>137 468</b>	115 450	97 621
Inventories	28 211	28 293	25 433
Taxation	37	11	73
Derivatives held for risk management and embedded derivatives	6 178	9 450	2 085
Payments made in advance	1 939	1 413	1 629
Trade, finance lease, loan and other receivables	47 452	36 220	35 668
Investments	20 640	16 478	16 378
Cash and cash equivalents	33 011	23 585	16 355
<b>Total assets</b>	<b>877 601</b>	866 322	848 351
<b>Equity</b>	<b>270 988</b>	222 858	236 095
Capital and reserves			
<b>Liabilities</b>			
<b>Non-current</b>	<b>477 253</b>	486 657	491 045
Debt securities and borrowings	349 311	359 692	386 931
Derivatives held for risk management	2 023	27	60
Deferred tax	13 955	10 412	–
Employee benefit obligations	19 595	17 448	16 420
Provisions	45 889	52 561	49 157
Trade and other payables and lease liabilities	6 431	6 817	7 245
Payments received in advance, contract liabilities and deferred income	40 049	39 700	31 232
<b>Current</b>	<b>129 360</b>	156 807	121 211
Debt securities and borrowings	46 037	52 508	39 792
Loan from shareholder	8 057	32 000	16 000
Derivatives held for risk management	3 841	566	1 599
Employee benefit obligations	5 606	3 777	4 468
Provisions	9 362	9 325	6 247
Trade and other payables and lease liabilities	48 963	50 514	47 150
Payments received in advance, contract liabilities and deferred income	7 494	7 984	5 955
Taxation	–	133	–
<b>Total liabilities</b>	<b>606 613</b>	643 464	612 256
<b>Total equity and liabilities</b>	<b>877 601</b>	866 322	848 351

1. Restated. Refer to note 17.

# Condensed group income statement

for the six months ended 30 September 2024

		Unaudited six months ended 30 September 2024 Rm	Unaudited Restated <sup>1</sup> six months ended 30 September 2023 Rm	Audited year ended 31 March 2024 Rm
Revenue	10	183 711	158 627	295 814
Other income		694	681	1 295
Primary energy	11	(79 288)	(84 868)	(173 729)
Employee benefit expense	12	(20 436)	(17 352)	(35 096)
Net impairment and write down of assets		(3 736)	(1 873)	(3 433)
Other expenses		(19 289)	(17 570)	(41 441)
Profit before depreciation and amortisation expense and net fair value and foreign exchange (losses)/gains (EBITDA) <sup>2</sup>		61 656	37 645	43 410
Depreciation and amortisation expense		(15 394)	(16 746)	(33 239)
Net fair value and foreign exchange (losses)/gains		(5 542)	974	2 644
Profit before net finance cost		40 720	21 873	12 815
Net finance cost		(17 751)	(19 700)	(38 389)
Finance income		3 276	2 283	4 859
Finance cost	13	(21 027)	(21 983)	(43 248)
Share of profit of equity-accounted investees, net of tax		60	71	105
<b>Profit/(loss) before tax</b>		<b>23 029</b>	<b>2 244</b>	<b>(25 469)</b>
Income tax	14	(5 197)	(630)	(29 546)
<b>Profit/(loss) for the period<sup>3</sup></b>		<b>17 832</b>	<b>1 614</b>	<b>(55 015)</b>

# Condensed group statement of comprehensive income

for the six months ended 30 September 2024

		Unaudited six months ended 30 September 2024 Rm	Unaudited Restated <sup>1</sup> six months ended 30 September 2023 Rm	Audited year ended 31 March 2024 Rm
<b>Profit/(loss) for the period<sup>3</sup></b>		<b>17 832</b>	<b>1 614</b>	<b>(55 015)</b>
<b>Other comprehensive (loss)/income</b>		<b>(1 702)</b>	<b>537</b>	<b>(71)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>(478)</b>	<b>(307)</b>	<b>(527)</b>
Cash flow hedges		(478)	(455)	(730)
Foreign currency translation differences on foreign operations		–	25	6
Income tax thereon		–	123	197
<b>Items that may not be reclassified subsequently to profit or loss</b>		<b>(1 224)</b>	<b>844</b>	<b>456</b>
Re-measurement of benefits		(1 246)	1 156	625
Income tax thereon		22	(312)	(169)
<b>Total comprehensive income/(loss) for the period<sup>3</sup></b>		<b>16 130</b>	<b>2 151</b>	<b>(55 086)</b>

1. Restated. Refer to note 17.

2. Non-generally accepted accounting principles income statement measure.

3. A nominal amount is attributable to the non-controlling interest in the group. The remainder is attributable to the owner of the group.

# Condensed group statement of changes in equity

for the six months ended 30 September 2024

	Share capital	Other capital	Cash flow hedge reserve	Unrealised fair value reserve	Foreign currency translation reserve	Accumulated profit/(loss)	Total equity
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balance at 31 March 2023 restated <sup>1</sup>	241 550	–	(335)	(12 757)	47	5 439	233 944
Profit for the period	–	–	–	–	–	1 614	1 614
Other comprehensive (loss)/income, net of tax	–	–	(332)	–	25	844	537
Transfer between reserves	–	–	–	9 245	–	(9 245)	–
Balance at 30 September 2023 restated <sup>1</sup>	241 550	–	(667)	(3 512)	72	(1 348)	236 095
Loss for the period	–	–	–	–	–	(56 629)	(56 629)
Other comprehensive loss, net of tax	–	–	(201)	–	(19)	(388)	(608)
Conversion of loan from shareholder	–	44 000	–	–	–	–	44 000
Transfer between reserves	–	–	–	(6 801)	–	6 801	–
Balance at 31 March 2024	<b>241 550</b>	<b>44 000</b>	<b>(868)</b>	<b>(10 313)</b>	<b>53</b>	<b>(51 564)</b>	<b>222 858</b>
Profit for the period	–	–	–	–	–	17 832	17 832
Other comprehensive loss, net of tax	–	–	(478)	–	–	(1 224)	(1 702)
Share capital issued	<b>76 000</b>	<b>(44 000)</b>	–	–	–	–	<b>32 000</b>
Transfer between reserves	–	–	–	(921)	–	921	–
Balance at 30 September 2024	<b>317 550</b>	<b>–</b>	<b>(1 346)</b>	<b>(11 234)</b>	<b>53</b>	<b>(34 035)</b>	<b>270 988</b>

1. Restated. Refer to note 17.

# Condensed group statement of cash flows

for the six months ended 30 September 2024

	Unaudited six months ended 30 September 2024 Rm	Unaudited six months ended 30 September 2023 Rm	Audited year ended 31 March 2024 Rm
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax	23 029	2 244 <sup>I</sup>	(25 469)
Adjustment for non-cash items	45 167	37 835 <sup>I</sup>	79 563
Depreciation and amortisation expense	15 394	16 746	33 239
Finance cost	21 027	21 983	43 248
Other	8 746	(894)	3 076
Changes in working capital	(19 631)	(13 537) <sup>I</sup>	(13 579)
Cash generated from operations	48 565	26 542	40 515
Net cash generated (used in)/from derivatives held for risk management	(610)	600	794
Finance income received	258	202	412
Finance cost paid	–	(12)	(4)
Income taxes paid	(1 991)	(661)	(1 321)
	<b>46 222</b>	26 671	40 396
<b>Cash flows used in investing activities</b>			
Disposals of property, plant and equipment and intangible assets	163	285	1 082
Acquisitions of property, plant and equipment and intangible assets	(15 493)	(15 018)	(42 577)
Acquisitions of future fuel supplies	(1 266)	(754)	(2 857)
Acquisitions of treasury investments	(1 398)	–	(1 002)
Disposals of insurance investments	14 480	12 381	25 560
Acquisitions of insurance investments	(19 296)	(13 576)	(27 295)
Payments made in advance	(15)	(118)	(101)
Cash used in provisions	(185)	(121)	(135)
Net cash generated from/(used in) derivatives held for risk management	8	(193)	(221)
Finance income received	1 308	1 070	2 336
Other cash from investing activities	175	156	267
	<b>(21 519)</b>	(15 888)	(44 943)
<b>Cash flows used in financing activities</b>			
Debt securities and borrowings raised	5 485	35 670	23 562
Loan from shareholder raised	8 000	–	76 000
Payments made in advance	(80)	(312)	(426)
Debt securities and borrowings repaid	(10 554)	(30 850)	(54 594)
Net cash from derivatives held for risk management	(1 698)	11 399	10 992
Cash used in lease liabilities	(492)	(360)	(721)
Finance income received	893	594	1 110
Finance cost paid	(16 719)	(18 063)	(35 255)
Taxes paid	(32)	(36)	(71)
	<b>(15 197)</b>	(1 958)	20 597
Net increase in cash and cash equivalents	9 506	8 825	16 050
Cash and cash equivalents at beginning of the period	23 585	7 516	7 516
Foreign currency translation	–	25	6
Effect of movements in exchange rates on cash held	(80)	(11)	13
<b>Cash and cash equivalents at end of the period</b>	<b>33 011</b>	16 355	23 585

I. Restated. Refer to note 17.



# Notes to the condensed group interim financial statements

for the six months ended 30 September 2024

## 1. Structure and activities

Eskom Holdings SOC Ltd (Eskom), a state-owned company and holding company of the group, is incorporated and domiciled in the Republic of South Africa. The group is wholly owned by the government with the Minister of Energy and Electricity as the shareholder representative. The principal activity of the group is the vertically integrated regulated electricity business (Eskom and National Transmission Company South Africa SOC Ltd (NTCSA)) that generates, transmits and distributes electricity to local industrial, mining, commercial, agricultural, redistributor (metropolitan and other municipalities) and residential customers, and to international customers in southern Africa. The group also purchases electricity from Independent Power Producers (IPPs) and international suppliers in southern Africa. The primary business focus of the other subsidiaries is to support the electricity business.

## 2. Basis of preparation

The condensed group interim financial statements of Eskom Holdings SOC Ltd as at and for the six months ended 30 September 2024 comprise the Eskom company, its subsidiaries, joint ventures, associates and structured entities (together the group). The condensed group interim financial statements do not include all of the information required for full financial statements and should be read in conjunction with the Eskom Holdings SOC Ltd 31 March 2024 group annual financial statements. The annual financial statements of the group as at and for the year ended 31 March 2024 are available for inspection at the company's registered office and on the Eskom website at [www.eskom.co.za](http://www.eskom.co.za).

The condensed group interim financial statements are prepared in accordance with the recognition and measurement requirements of IFRS Accounting Standards, the presentation and disclosure requirements of IAS 34 *Interim Financial Reporting* and in the manner required by the Companies Act.

The condensed group interim financial statements are prepared on the historical-cost basis except for the following items which are measured at fair value:

- derivatives held for risk management
- embedded derivatives
- certain other investments

### 2.1 Going concern

The board assessed the ability of the group to continue as a going concern in the foreseeable future. The board:

- Reviewed the performance of the group for the period ended 30 September 2024 including the net profit after tax of R17 832 million and the net current assets of R8 108 million.
- Considered the impact of the cash flow forecast for the 18 months ending 31 March 2026.
- Noted the improvement in the group's financial indicators compared to 31 March 2024, in particular the improvement in EBITDA and EBITDA margin.
- Noted the increase in the cash and cash equivalents balance to R33 011 million from R23 585 million at 31 March 2024 mainly due to the debt relief support received as well as the improvement in the cash from operations during the period.
- Noted that the liquidity in the longer term after the debt relief period remains at risk because of the financial sustainability challenges arising from an inadequate tariff path, high debt service costs, escalating municipal arrear debt, operational inefficiencies, the impact of fraud and corruption and continued focus on addressing plant performance as well as sourcing of funding for the Transmission Development Plan.
- Noted the remaining portion of the debt relief support from government of R66 billion in 2025 and R40 billion in 2026, including the conditions the group needs to comply with to allow for the conversion of debt relief to equity, to address Eskom's debt and interest payments as they fall due together with the takeover of R70 billion of Eskom debt (principal and future interest) in 2026 (to be finalised), thereby allowing Eskom to better manage its liquidity position as well as the reduction of R2 billion in the debt relief support for 2025 as a result of the delay in the disposal of Eskom Finance Company SOC Ltd (EFC). The sale of EFC continues to be prioritised with board accepting a binding offer from the approved bidder in October 2024, subject to Public Finance Management Act, 1 of 1999 (PFMA) approval.
- Noted and considered the implications of the Eskom Debt Relief Amendment Act that provides for the monthly payment of interest by Eskom on amounts advanced as a loan at the 91-day Treasury Bill rate and power to the Minister to reduce the support to Eskom in the event of non-compliance with the conditions. Any loan amount that fails to qualify for the conversion of debt to equity because of non-compliance with the conditions will become due and payable after the debt relief period (from 1 April 2026).
- Noted that no new borrowings (except for drawdowns from existing facilities) were allowed from 1 April 2023 until the end of the debt relief period unless approved by the Minister of Finance, and that existing government guarantees issued on borrowings before 31 March 2023 in terms of the government guarantee facility of R350 billion remain in place until settlement of the guaranteed debt. All other operational and relevant capital expenditure spending are financed through operational cash flows and drawdowns from existing project related loan agreements.
- Considered the impact of the continuous increase in overdue electricity receivables mainly due to growing municipal debt (including the impact of non-recoverability of long outstanding electricity receivables) and the municipal debt relief arrangement that is yielding minimal results with most of the municipalities failing to comply with the conditions. The municipal overdue debt is a key matter that should be resolved for the legal separation of the distribution business.
- Considered the impact of the extension of the Koeberg useful life for another 20 years which decreased the nuclear decommissioning provision because of later cash outflows. The licence extension decision on unit 2 was deferred until later but prior to the licence expiry date of 9 November 2025.
- Considered the impact on future cash flows of ongoing ring-fenced funds set aside for the funding of future nuclear decommissioning activities as directed by the National Nuclear Regulator whilst discussions regarding a permanent solution are underway.
- Considered the impact of the dispute between Eskom and South African Revenue Services (SARS) that was resolved on 18 October 2024 relating to previously disallowed claims for fuel levy refunds for a net amount of R9.2 billion payable to Eskom in accordance with the terms of the settlement agreement with R5.5 billion received by January 2025. Refer to note 16.
- Considered the impact of improved generating plant performance even though certain challenges remain. A worsening of generating plant performance could negatively impact cash flow due to lost revenue and an increase in costs, including the level of spend required on open cycle gas turbines (OCGT). The group's generation capacity continues to be managed as a critical focus area to ensure appropriate steps are being taken to manage performance.
- Considered the impact of the current economic climate, including that some rating agencies expressed a positive outlook on the group.
- Acknowledged that an acceptable price increase, uncertainty of timing and impact of separate licence price determinations, continued improved plant performance and addressing payment by municipalities are critical factors in the going-concern assessment.
- Noted the increase in non-technical energy losses because of illegal connections and selling of illegal tokens which increase the current and future costs incurred by Eskom to produce energy with no corresponding revenue received.

# Notes to the condensed group interim financial statements continued

## for the six months ended 30 September 2024

### 2. Basis of preparation (continued)

#### 2.1 Going concern (continued)

- Recognised the progress made with the legal separation of Eskom. NTCSA is in a tax paying position from 2025 onwards based on the latest forecasts and paid provisional tax of R1.4 billion at 30 September 2024. The corporatisation and operationalisation of the National Electricity Distribution Company South Africa SOC Ltd is delayed due to external dependencies and the delayed operationalisation of NTCSA.
- Noted that mechanisms of support to NTCSA include amongst others approval of a short-term credit facility with Eskom Treasury as well as immediate settlement of intercompany energy purchases and sales.
- Recognised that the group continues to face various challenges that resulted from mismanagement and corruption that could have an influence on stakeholder sentiment. Management is focusing on addressing irregularities, improving processes and strengthening controls as well as enhancing a culture of work ethics and adherence.
- Considered the possible impact if key risks materialise and acknowledged that improved plant performance, the management of operating (particularly generating expenditure) and capital costs, as well as addressing the escalating overdue electricity receivables are critical factors in the going-concern assessment.

The challenges that the group is facing are being addressed by the following mitigation strategies and actions:

- Continuous engagement is taking place with the shareholder and National Treasury to ensure that the challenges that impact the group's going-concern status are addressed satisfactorily within a reasonable timeframe. Government believes that it is critical that a credible, comprehensive and long-term strategy (which incorporates addressing municipal receivables, providing greater clarity and transparency in tariff pricing and addressing operational efficiencies) is developed to fully optimise the group and company's balance sheet. The Eskom debt relief arrangement is assisting in putting the group on a path to long-term financial stability. Compliance by the municipalities with the requirements of the municipal debt relief programme as set out by National Treasury remains a key focus area as the programme is not yielding the expected results.
- Eskom is working with National Treasury and the shareholder representative regarding Eskom's ongoing compliance with the conditions of the debt relief arrangement to enable the conversion of the loan to equity. The disbursement of R8 billion received for the period was approved for conversion to equity on 21 October 2024. The remaining portion of the debt relief for 2025 of R56 billion is expected to be received before the end of the 2025 financial year. Refer to note 16.
- There is continued focus on implementing various strategies to recover overdue trade receivables. The successful outcome of these strategies remains uncertain. Eskom advised National Treasury of the municipalities not compliant with the municipal debt relief arrangement conditions. National Treasury is engaging with these municipalities to highlight the risk of terminating their participation in the debt relief programme.
- Eskom continues to work with the Minister of Electricity and Energy leveraging the National Energy Crisis Committee structures to ensure that the Electricity Action Plan is implemented expeditiously in collaboration with all key stakeholders to resolve the electricity crisis.
- The commencement of the Electricity Regulation Amendment Act, 38 of 2024 on 1 January 2025 provides for National Energy Regulator of South Africa (NERSA) to consider the application and issue of licences, new generation capacity and electricity infrastructure and the establishment of the transmission system operator in the future to cater for an open market platform that will allow for competitive electricity trading with entity specific revenue determinations by NERSA in line with the approved licences. It is envisaged that there will be a transition period, most likely between three to five years, as the development, approval and implementation of the market code, rules and trading platform (system) as well as the qualifying criteria for participants is a time-consuming process involving various stakeholder consultations and approval by NERSA.
- The cost structures and capital programme of the group are continuously reviewed to extract cost savings and improve cash flows.
- The group is aware of the impact of large capital projects on its statement of financial position and will only engage in such projects in compliance with the conditions attached to the Eskom Debt Relief Act and with full disclosure and approval by the Minister of Finance and the shareholder.

The board considered that there are uncertainties and dependencies that exist both from the perspective of timing of interventions as well as whether the plans will materialise as anticipated. The events, conditions and assumptions described above inherently include material uncertainties that may cast significant doubt on the going concern of the group and company.

The board has a reasonable expectation that the risks will be satisfactorily addressed with the mitigation strategies in place. The board continues to manage these strategies as a priority as it is important that they materialise as envisaged. The board assessed the current cash flow projections considering that future capital costs during the debt relief period will be funded from cash from operations. The board concluded after carefully considering the progress of the initiatives included in note 2.1 and the continued financial support from the government through the debt relief arrangement that there is a reasonable expectation that the group have access to adequate resources and facilities to be able to continue its operations and fund the capital programme for the foreseeable future as a going concern. The condensed group interim financial statements have therefore been prepared on a going-concern basis.

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### 3. Significant changes in accounting policies

The accounting policies are consistent with those applied in the audited financial statements as at 31 March 2024.

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### 4. Critical accounting estimates and judgements

The significant estimates and judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were substantially the same as those applied to the audited financial statements as at 31 March 2024.

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## 5. Segment information

Management has determined the reportable segments based on the reports regularly provided, reviewed and used by Executive Committee (Exco) to make strategic decisions and assess performance of the segments. Exco assesses the performance of the operating segments based on a measure of profit or loss consistent with that of the financial statements. The amounts provided to Exco with respect to total assets and liabilities are measured in terms of IFRS Accounting Standards. These assets and liabilities are allocated based on the operation of the segment and the physical location of the assets.

The operations in each of the group's reportable segments are as follows:

Segment	Operations
Generation	Consists of generation, primary energy and group capital functions that respectively: <ul style="list-style-type: none"> <li>• generates electricity for sale to transmission</li> <li>• procures primary energy</li> <li>• plan, develop, execute and monitor generation-related capital projects</li> </ul>
Transmission (NTCSA)	Consists of transmission network, international customers and operator functions that respectively: <ul style="list-style-type: none"> <li>• operates and maintains the network for transmitting electricity</li> <li>• purchase and sale of bulk electricity to international customers</li> <li>• operates electricity trading system by balancing the supply and demand of electricity, managing voltage levels and purchase of electricity from generation and IPPs and sale of electricity to distribution</li> </ul>
Distribution	Consists of five operating clusters across nine provinces who provides, operates and maintains the distribution network for distributing electricity and sale of electricity to local large and small power users (including residential customers).
All other segments	Relates to operating segments which are below the quantitative thresholds for determining a reportable segment in terms of IFRS 8 <i>Operating Segments</i> which includes the group's subsidiaries as well as all service and strategic functions which do not qualify as a reportable segment in terms of IFRS 8.

Inter-segment revenue and recoveries (achieved through transfer pricing) for the flow of electricity from generator to consumer was allocated between the generation, transmission and distribution segments as derived from the revenue in the approved corporate plan based on cost recovery plus a return on assets informed by the regulatory methodology principles and adjusted in line with records of decision as well as Regulatory Clearing Account and court decisions. Inter-segment revenue and recoveries for transmission therefore reflects revenue for network related services and energy procured from external sources.

The sale of electricity by generation to transmission is based on a two-part tariff (reflective of the generating costs) consisting of fixed capacity (depressed because of an inadequate return on assets on allowable revenue in the NERSA determinations) and variable energy components. Transmission incurs additional energy costs (energy purchases from IPPs and import of energy) and supplies electricity and network related services to distribution at a marked-up tariff (costs and return on assets) consisting of fixed and variable components allocated on a ratio that aligns with the ratio in the tariff charged to customers as determined by NERSA. Transmission also charges generation for their portion of transmission network cost (grid code mandates equal recovery from generation and consumer which is recovered via distribution).

Transfer pricing between the segments could be adjusted in future periods as a recovery or reduction to account for differences between actual and estimated information.

It is expected that NERSA will determine separate revenue determinations per licensee in the future based on similar regulatory methodology principles following the corporatisation of NTCSA.

All direct corporate overhead costs were allocated to the relevant segments based on service consumption and an appropriate cost driver apportionment was used to split the remaining overhead costs on a fair basis between segments. Net finance costs, net fair value and foreign exchange gains/(losses) were allocated to segments based on divisional funding requirements.

# Notes to the condensed group interim financial statements continued

for the six months ended 30 September 2024

## 5. Segment information (continued)

The segment information provided to Exco for the reportable segments is as follows:

	Generation	Transmission	Distribution	All other segments	Reallocation and inter-segment transactions	Group
	Rm	Rm	Rm	Rm	Rm	Rm
<b>30 September 2024</b>						
External revenue	–	8 619	175 092	450	(450)	183 711
Inter-segment revenue/recoveries	106 477	48 834	(155 283)	8 391	(8 419)	–
Total revenue	106 477	57 453	19 809	8 841	(8 869)	183 711
(Loss)/profit before tax	(4 308)	26 170	(857)	955	1 069	23 029
Income tax	–	(4 636)	–	(242)	(319)	(5 197)
(Loss)/profit after tax	(4 308)	21 534	(857)	713	750	17 832
Segment assets	576 307	127 584	153 013	171 412	(150 715)	877 601
Segment liabilities	87 144	87 148	88 151	470 656	(126 486)	606 613
<b>30 September 2023</b>						
External revenue	–	5 057	153 570	843	(843)	158 627
Inter-segment revenue/recoveries	95 782	42 368	(138 113)	6 624	(6 661)	–
Total revenue	95 782	47 425	15 457	7 467	(7 504)	158 627
(Loss)/profit before tax	(10 859) <sup>1</sup>	13 561	(947)	818	(329)	2 244
Income tax	–	–	–	(690) <sup>1</sup>	60	(630)
(Loss)/profit after tax	(10 859)	13 561	(947)	128	(269)	1 614
Segment assets	552 476 <sup>1</sup>	82 045	130 778	116 209 <sup>1</sup>	(33 157)	848 351
Segment liabilities	84 807	21 990	54 809	484 764	(34 114)	612 256
<b>31 March 2024</b>						
External revenue	–	11 054	284 760	1 085	(1 085)	295 814
Inter-segment revenue/recoveries	190 236	64 160	(254 358)	15 818	(15 856)	–
Total revenue	190 236	75 214	30 402	16 903	(16 941)	295 814
(Loss)/profit before tax	(36 014)	6 963	964	3 637	(1 019)	(25 469)
Income tax	–	–	–	(29 793)	247	(29 546)
(Loss)/profit after tax	(36 014)	6 963	964	(26 156)	(772)	(55 015)
Segment assets	561 658	85 157	143 681	164 029	(88 203)	866 322
Segment liabilities	94 159	32 287	65 175	518 964	(67 121)	643 464

## 6. Issuances, repurchases and repayments of debt securities and borrowings, loan from shareholder and share capital

### 6.1 Debt securities and borrowings and loan from shareholder

Debt relief support from government of R32 billion was converted to equity. The debt relief received was used to repay loans and interest. The debt raised and repaid by the group is disclosed in the statement of cash flows.

### 6.2 Share capital

	Unaudited six months ended 30 September 2024 Shares	Audited year ended 31 March 2024 Shares	Unaudited six months ended 30 September 2023 Shares
<b>Authorised ordinary shares</b>	<b>500 000 000 000</b>	300 000 000 000	300 000 000 000
<b>Issued ordinary shares</b>			
Balance at beginning of the period	241 550 276 001	241 550 276 001	241 550 276 001
Share capital issued	76 000 000 000	–	–
Balance at end of the period	<b>317 550 276 001</b>	241 550 276 001	241 550 276 001

The share capital increased because of the conversion to share capital of R32 billion as approved by the Minister of Finance. In addition share capital was also issued for the R44 billion already approved for conversion as reflected in other capital at 31 March 2024.

1. Restated. Refer to note 17.

## 7. Dividend paid

No dividend was paid to the shareholder during the six months ended 30 September 2024 nor in the comparative periods presented.

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## 8. Significant events and transactions

The following significant movements and events occurred in the six months ended 30 September 2024:

### 8.1 Property, plant and equipment and provisions

Generating plant and the related nuclear decommissioning provision decreased because of the licence extension of Koeberg power station unit 1 which extended the useful life of the plant with 20 years.

### 8.2 Movements in derivatives held for risk management and debt securities and borrowings

The net asset position relating to derivatives held for risk management (which hedges foreign debt and borrowings) and debt securities and borrowings balance decreased because of exchange rate fluctuations caused by the strengthening of the rand against major currencies.

### 8.3 Trade and other receivables and net impairment loss

Trade and other receivables increased as a result of higher revenue because of the tariff increase, suspension of loadshedding and the impact of seasonality (refer to note 9). Trade and other receivables were also impacted by declining municipal payment levels which resulted in an increase in net impairment loss.

### 8.4 Embedded derivatives

Embedded derivatives decreased because of the strengthening of the rand against the dollar that resulted in a lower upside threshold linked to the ferrochrome price.

### 8.5 Non-technical losses

The non-technical losses increased from 7.2% at 31 March 2024 to 8.5% at 30 September 2024. Non-technical losses was negatively impacted by illegal connections, meter tampering and the compromise of the online vending system that resulted in the bulk generation of illegal prepaid electricity tokens.

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## 9. Seasonality of interim results

The results of the group were impacted by the following seasonal fluctuations:

- Revenue from electricity sales and consequently electricity receivables and the related value added tax impact are normally higher during the first six months of the financial year (winter months) as compared to the summer months because of the high demand season tariff increases.
- Primary energy costs associated with renewable IPP purchases are lower in the winter months (first six months of the financial year) due to a lower proportion of power being produced from renewable sources during this time.
- Less routine maintenance work (and consequently lower costs) is normally undertaken during the winter months which coincides with the first six months of the financial year. Repairs and maintenance however increased for the six month period to 30 September due to extensive planned and unplanned maintenance performed to address plant performance challenges aligned to the generation recovery plan.

The results of the group for the period were also impacted by the following:

- Performance of the coal-fired power stations improved which resulted in a lower need for the use of Eskom and IPP OCGTs and decreased primary energy costs.
  - There was no need to implement loadshedding since 26 March 2024 because of the improved plant performance which together with the tariff increase of 12.74% for the 2025 financial year resulted in an increase in sales and revenue.
  - The EBITDA, EBITDA margin and net profit improved significantly because of the increase in revenue and lower marginal electricity generation costs which led to a significant improvement in liquidity.
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# Notes to the condensed group interim financial statements continued

for the six months ended 30 September 2024

	Unaudited six months ended 30 September 2024 Rm	Unaudited six months ended 30 September 2023 Rm	Audited year ended 31 March 2024 Rm
<b>10. Revenue</b>			
Redistributors	75 929	64 465	115 460
Invoiced to customers	83 860	70 691	124 302
Amounts not meeting revenue recognition criteria Recognised on a cash received basis	(12 981) 5 050	(10 580) 4 354	(17 081) 8 239
Residential	4 526	3 994	7 615
Invoiced to customers	4 501	4 027	7 671
Amounts not meeting revenue recognition criteria Recognised on a cash received basis	(33) 58	(83) 50	(164) 108
Industrial	33 420	31 891	61 367
Mining	29 548	26 816	47 923
Commercial	13 557	11 178	20 900
Agricultural	8 073	6 592	13 858
International	8 893	5 267	11 457
Other customers	2 504	2 240	4 152
Post-paid electricity sales	176 450	152 443	282 732
Prepaid electricity sales	6 498	5 460	11 329
Total electricity sales	182 948	157 903	294 061
Other	763	724	1 753
	183 711	158 627	295 814
Sales of electricity to local customers are included in the distribution operating segment. International sales are included in the transmission segment. Other revenue consists of reconnection fees and <i>ad hoc</i> sundry revenue. Connections occur mainly within the transmission and distribution operating segments.			
<b>11. Primary energy</b>			
Own generation costs	54 495	57 940 <sup>1</sup>	117 873
International electricity purchases	4 025	3 981	8 081
Independent power producers	20 768	22 947	47 775
	79 288	84 868	173 729
<b>12. Employee benefit expense</b>			
Gross employee benefit expense	21 439	18 327	37 099
Capitalised to property, plant and equipment	(1 003)	(975)	(2 003)
	20 436	17 352	35 096
<b>13. Finance cost</b>			
Gross finance cost	24 705	25 544	51 329
Capitalised to property, plant and equipment	(3 678)	(3 561)	(8 081)
	21 027	21 983	43 248
<b>14. Income tax</b>			
Income tax for the interim period is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year which is applied to the pre-tax income of the interim period.			

1. Restated. Refer to note 17.

## 15. Accounting classification and fair value

### 15.1 Accounting classification

	30 September 2024 (unaudited)			
	Fair value through profit or loss Rm	Amortised cost Rm	Other assets and liabilities <sup>1</sup> Rm	Total Rm
<b>Financial assets</b>				
Derivatives held for risk management and embedded derivatives	11 984	–	12 422	24 406
Foreign exchange contracts	11	–	3	14
Cross-currency swaps	2 128	–	12 419	14 547
Commodity forwards	1	–	–	1
Commodity options	6	–	–	6
Inflation-linked swaps	418	–	–	418
Embedded derivatives	9 420	–	–	9 420
Trade, finance lease, loan and other receivables	–	53 898	196	54 094
Loans receivable	–	7 757	–	7 757
Finance lease receivables	–	–	196	196
Trade and other receivables	–	46 141	–	46 141
Investments	1 841	24 203	–	26 044
Treasury investments	–	2 509	–	2 509
Negotiable certificates of deposit	–	17 726	–	17 726
Floating rate notes	–	2 895	–	2 895
Inflation-linked bonds	–	1 073	–	1 073
Listed shares	1 841	–	–	1 841
Cash and cash equivalents	–	33 011	–	33 011
Bank balances	–	13 561	–	13 561
Fixed deposits	–	19 450	–	19 450
	13 825	111 112	12 618	137 555
<b>Financial liabilities</b>				
Debt securities and borrowings	–	395 348	–	395 348
Eskom bonds	–	168 621	–	168 621
Commercial paper	–	681	–	681
Eurobond zero coupon bonds	–	8 546	–	8 546
Foreign bonds	–	59 092	–	59 092
Development financing institutions	–	131 846	–	131 846
Export credit facilities	–	21 120	–	21 120
Other loans	–	5 442	–	5 442
Derivatives held for risk management	4 766	–	1 098	5 864
Foreign exchange contracts	2 472	–	558	3 030
Cross-currency swaps	1 848	–	540	2 388
Commodity forwards	370	–	–	370
Commodity options	6	–	–	6
Credit default swaps	23	–	–	23
Inflation-linked swaps	47	–	–	47
Trade and other payables and lease liabilities	–	44 186	6 967	51 153
Lease liabilities	–	–	6 967	6 967
Trade and other payables	–	44 186	–	44 186
	4 766	439 534	8 065	452 365

1. Other assets and liabilities include derivatives held for risk management designated as hedges measured at fair value through other comprehensive income and finance leases measured at amortised cost. The total assets measured at amortised cost amounts to R111 308 million and the total liabilities measured at amortised cost amounts to R446 501 million.

# Notes to the condensed group interim financial statements continued

for the six months ended 30 September 2024

## 15. Accounting classification and fair value (continued)

### 15.1 Accounting classification (continued)

	Fair value through profit or loss Rm	31 March 2024 (audited) Amortised cost Rm	Other assets and liabilities <sup>1</sup> Rm	Total Rm
<b>Financial assets</b>				
Derivatives held for risk management and embedded derivatives	17 375	–	21 442	38 817
Foreign exchange contracts	209	–	56	265
Cross-currency swaps	4 819	–	21 386	26 205
Commodity forwards	210	–	–	210
Commodity options	7	–	–	7
Inflation-linked swaps	329	–	–	329
Embedded derivatives	11 801	–	–	11 801
Trade, finance lease, loan and other receivables	–	43 209	211	43 420
Loans receivable	–	7 773	–	7 773
Finance lease receivables	–	–	211	211
Trade and other receivables	–	35 436	–	35 436
Investments	1 550	17 976	–	19 526
Treasury investments	–	1 024	–	1 024
Negotiable certificates of deposit	–	13 900	–	13 900
Floating rate notes	–	2 024	–	2 024
Inflation-linked swaps	–	1 028	–	1 028
Listed shares	1 550	–	–	1 550
Cash and cash equivalents	–	23 585	–	23 585
Bank balances	–	10 865	–	10 865
Fixed deposits	–	12 720	–	12 720
	18 925	84 770	21 653	125 348
<b>Financial liabilities</b>				
Debt securities and borrowings	–	412 200	–	412 200
Eskom bonds	–	165 809	–	165 809
Commercial paper	–	748	–	748
Eurorand zero coupon bonds	–	8 045	–	8 045
Foreign bonds	–	64 551	–	64 551
Development financing institutions	–	139 270	–	139 270
Export credit facilities	–	25 583	–	25 583
Other loans	–	8 194	–	8 194
Derivatives held for risk management	358	–	235	593
Foreign exchange contracts	318	–	45	363
Cross-currency swaps	12	–	190	202
Credit default swaps	27	–	–	27
Inflation-linked swaps	1	–	–	1
Trade and other payables and lease liabilities	–	47 912	7 403	55 315
Lease liabilities	–	–	7 403	7 403
Trade and other payables	–	47 912	–	47 912
	358	460 112	7 638	468 108

1. Other assets and liabilities include derivatives held for risk management designated as hedges measured at fair value through other comprehensive income and finance leases measured at amortised cost. The total assets measured at amortised cost amounts to R84 981 million and the total liabilities measured at amortised cost amounts to R467 515 million.



	30 September 2023 (unaudited)			Total
	Fair value through profit or loss Rm	Amortised cost Rm	Other assets and liabilities <sup>1</sup> Rm	Rm
<b>Financial assets</b>				
Derivatives held for risk management and embedded derivatives	4 125	–	23 289	27 414
Foreign exchange contracts	378	–	27	405
Cross-currency swaps	2 538	–	23 262	25 800
Commodity forwards	259	–	–	259
Inflation-linked swaps	295	–	–	295
Embedded derivatives	655	–	–	655
Trade, finance lease, loan and other receivables	–	43 642	236	43 878
Loans receivable	–	8 063	–	8 063
Finance lease receivables	–	–	236	236
Trade and other receivables	–	35 579	–	35 579
Investments	1 467	16 432	–	17 899
Negotiable certificates of deposit	–	14 911	–	14 911
Floating rate notes	–	1 021	–	1 021
Inflation-linked bonds	–	500	–	500
Listed shares	1 467	–	–	1 467
Cash and cash equivalents	–	16 355	–	16 355
Bank balances	–	9 226	–	9 226
Fixed deposits	–	7 129	–	7 129
	5 592	76 429	23 525	105 546
<b>Financial liabilities</b>				
Debt securities and borrowings	–	426 723	–	426 723
Eskom bonds	–	162 881	–	162 881
Commercial paper	–	827	–	827
Eurorand zero coupon bonds	–	7 572	–	7 572
Foreign bonds	–	63 965	–	63 965
Development financing institutions	–	139 702	–	139 702
Export credit facilities	–	27 863	–	27 863
Other loans	–	23 913	–	23 913
Derivatives held for risk management	890	–	769	1 659
Foreign exchange contracts	821	–	69	890
Cross-currency swaps	11	–	700	711
Credit default swaps	56	–	–	56
Inflation-linked swaps	2	–	–	2
Trade and other payables and lease liabilities	–	43 663	7 769	51 432
Lease liabilities	–	–	7 769	7 769
Trade and other payables	–	43 663	–	43 663
	890	470 386	8 538	479 814

1. Other assets and liabilities include derivatives held for risk management designated as hedges measured at fair value through other comprehensive income and finance leases measured at amortised cost. The total assets measured at amortised cost amounts to R76 665 million and the total liabilities measured at amortised cost amounts to R478 155 million.

# Notes to the condensed group interim financial statements continued

for the six months ended 30 September 2024

## 15. Accounting classification and fair value (continued)

### 15.2 Fair value

#### Valuation processes and principal markets

The group has a control framework in place for the measurement of fair values. It includes a valuation team (supported by external specialist) that ultimately reports to the chief financial officer and has overall responsibility for all significant fair value measurements.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. Where third-party information, such as broker quotes or pricing services, is used to measure fair value, this information is assessed as to whether it provides adequate support for the accounting treatment applied including the level of the fair value hierarchy assigned to it.

The group is involved in various principal markets because of the unique funding activities undertaken where the fair value is determined by each participant in the different principal markets. The principal markets include capital and money markets, development financing institutions and export credit agencies.

#### Valuation techniques and levels

Financial instrument	Valuation technique
<b>Level 1: Quoted prices (unadjusted) in active markets</b>	
Insurance investments (listed shares)	Quoted bid price in active markets. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
<b>Level 2: Observable inputs other than quoted prices included within level 1</b>	
Loans receivable (excluding home loans), treasury investments, insurance investments (excluding listed shares) and debt securities and borrowings	A discounted cash flow technique is used which uses expected cash flows and a market-related discount rate.
Derivatives held for risk management	Valuation determined with reference to broker quotes as well as use of discounted cash flow and option pricing models. Broker quotes are tested for reasonableness by discounting expected future cash flows using a market interest rate for a similar instrument at the measurement date.  Valuations of cross-currency swaps include the credit risk of Eskom (known as debit value adjustment) and counterparties (known as credit value adjustment) where appropriate. A stochastic modelling approach is followed where the expected future exposure to credit risk for Eskom and its counterparties (considering default probabilities and recovery rates derived from market data) is modelled.
Trade and other payables and cash and cash equivalents	Fair values have not been disclosed for financial instruments where the carrying amounts are a reasonable approximation of fair value.
<b>Level 3: Unobservable inputs</b>	
Embedded derivatives	Fair value determined using unobservable inputs.
Loans receivable (home loans)	The fair value of home loans is based on discounted cash flows using market related interest rates.
Trade and other receivables	Fair value determined using unobservable inputs. The carrying value is equal to the fair value due to the expected short-term maturity of the trade receivables. The fair value for long-term receivables is based on discounted cash flows using the effective interest rate method. The carrying value approximates the fair value as the interest rates are market related and no additional disclosure is required.

There were no changes in the valuation techniques applied nor transfers between level 1, 2 or 3 of the fair value hierarchy during the six months ended 30 September 2024 nor in the comparative periods presented.

### Fair value hierarchy

The disclosure of the fair value hierarchy of financial instruments has been enhanced in the current period and is as follows:

	30 September 2024 (unaudited)			31 March 2024 (audited)			30 September 2023 (unaudited)		
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
<b>Financial assets</b>									
Derivatives held for risk management and embedded derivatives	–	14 986	9 420	–	27 016	11 801	–	26 759	655
Foreign exchange contracts	–	14	–	–	265	–	–	405	–
Cross-currency swaps	–	14 547	–	–	26 205	–	–	25 800	–
Commodity forwards	–	1	–	–	210	–	–	259	–
Commodity options	–	6	–	–	7	–	–	–	–
Inflation-linked swaps	–	418	–	–	329	–	–	295	–
Embedded derivatives	–	–	9 420	–	–	11 801	–	–	655
Loans receivable	–	470	6 838	–	415	6 646	–	178	7 460
Home loans	–	–	6 838	–	–	6 646	–	–	7 460
Other loans	–	470	–	–	415	–	–	178	–
Investments	1 841	24 376	–	1 550	18 129	–	1 467	16 492	–
Treasury investment	–	2 529	–	–	1 039	–	–	–	–
Negotiable certificates of deposit	–	17 853	–	–	13 925	–	–	14 950	–
Floating rate notes	–	2 906	–	–	2 112	–	–	1 064	–
Inflation-linked bonds	–	1 088	–	–	1 053	–	–	478	–
Listed shares	1 841	–	–	1 550	–	–	1 467	–	–
<b>Financial liabilities</b>									
Debt securities and borrowings	–	387 341	–	–	385 808	–	–	397 929	–
Eskom bonds	–	156 284	–	–	144 176	–	–	139 508	–
Commercial paper	–	680	–	–	748	–	–	826	–
Eurorand zero coupon bonds	–	7 145	–	–	6 348	–	–	5 749	–
Foreign bonds	–	60 861	–	–	63 953	–	–	61 178	–
Development financing institutions	–	133 460	–	–	134 585	–	–	136 230	–
Export credit facilities	–	23 363	–	–	27 622	–	–	30 070	–
Other loans	–	5 548	–	–	8 376	–	–	24 368	–
Derivatives held for risk management	–	5 864	–	–	593	–	–	1 659	–
Foreign exchange contracts	–	3 030	–	–	363	–	–	890	–
Cross-currency swaps	–	2 388	–	–	202	–	–	711	–
Commodity forwards	–	370	–	–	–	–	–	–	–
Commodity options	–	6	–	–	–	–	–	–	–
Credit default swaps	–	23	–	–	27	–	–	56	–
Inflation-linked swaps	–	47	–	–	1	–	–	2	–

### 15.3 Day-one gain/(loss)

The group recognises a day-one gain/(loss) on the initial recognition of cross-currency and inflation-linked swaps held as hedging instruments where applicable.

	Cross-currency swaps Rm	Inflation-linked swaps Rm	Total Rm
Loss at 31 March 2023	(1 497)	(13)	(1 510)
Amortised to profit or loss	127	1	128
Loss at 30 September 2023	(1 370)	(12)	(1 382)
Day-one (loss)/gain recognised	(168)	–	(168)
Amortised to profit or loss	135	2	137
Loss at 31 March 2024	(1 403)	(10)	(1 413)
Day-one loss recognised	(86)	48	(38)
Amortised to profit or loss	142	(2)	140
(Loss)/gain at 30 September 2024	(1 347)	36	(1 311)

# Notes to the condensed group interim financial statements continued

## for the six months ended 30 September 2024

### 16. Material events subsequent to 30 September 2024

The following significant events occurred after 30 September 2024:

#### 16.1 Changes in Exco

The following changes occurred in Exco:

- Ms PB Mngomezulu was appointed as group executive corporate services effective from 1 November 2024. The role incorporates procurement, legal as well as communications and stakeholder management functions.
- Ms NY Hadebe was appointed as group executive strategy and sustainability effective from 1 November 2024.
- Mr RA Crookes was appointed as group executive group capital effective from 1 November 2024.
- Mr LM de Villiers was appointed as chief technology and information officer effective from 1 November 2024 (appointed on a three-year fixed term contract).
- Mr AE Seema was appointed as group executive strategic delivery unit effective from 1 December 2024.
- Mr RP Mnisi was appointed as group executive renewables effective from 1 February 2025.
- Dr C Hartly was appointed as chief people officer effective from 1 March 2025.
- Mr J Mthembu group executive legal and compliance resigned as a member of Exco on 31 October 2024 with the appointment of the group executive corporate services.
- Ms J Sankar resigned as a member of Exco on 31 October 2024 with the appointment of the group executive corporate services.
- Ms FS Burn resigned as a member of Exco on 31 October 2024 with the appointment of the chief technology and information officer.
- Ms NN Sithole acted as group executive government and regulatory affairs until 31 October 2024.

#### 16.2 Debt relief

The Minister of Finance approved on 21 October 2024 the conversion to equity of the R8 billion debt relief support from government received on 28 June 2024.

#### 16.3 Licences issued by NERSA

NERSA issued two licences to Eskom Holdings SOC Ltd to operate solar photovoltaic generation facilities on 29 October 2024 for Sere and Lethabo solar photovoltaic power plants in the Western Cape and Free State.

#### 16.4 Diesel rebate from SARS

Eskom and SARS resolved the dispute relating to previously disallowed claims for fuel levy refunds on 18 October 2024 resulting in a net amount of R9.2 billion payable to Eskom and a total of R5.5 billion was received by January 2025.

#### 16.5 Electricity Regulation Amendment Act

The Electricity Regulation Amendment Act, 38 of 2024, was gazetted on 18 December 2024 with a commencement date of 1 January 2025. The Act provides for NERSA to consider the application and issue of licences, new generation capacity and electricity infrastructure. The Act also provides for the establishment of a transmission system operator to provide an open market platform that will allow for competitive electricity trading. NTCSA will fulfil the role of the transmission system operator in the interim from the effective date of the Act until the transmission system operator is established and must apply for the relevant licences to carry out the function for a period not exceeding five years.

#### 16.6 EFC disposal

An updated strategy for the disposal of EFC was approved by the investment and finance committee on 23 April 2024. A request for proposal was issued on 1 May 2024 with the preferred bidder approved by the investment and finance committee on 19 June 2024. A binding offer was received from African Bank Limited on 15 October 2024 and approved by the board on 25 October 2024, subject to PFMA approval. Approval for the transaction also needs to be obtained from the Competition Commission, Prudential Authority and the South African Reserve Bank. There was no accounting impact on the interim financial statements as the held-for-sale classification criteria in terms of IFRS 5 *Non-current Assets Held-for-Sale and Discontinued Operations* have not yet been met.

#### 16.7 Payment arrangement with City of Tshwane Metropolitan Municipality

Eskom and City of Tshwane concluded a payment arrangement for the settlement of R6.7 billion overdue debt over a five-year period on 26 November 2024. Interest will be suppressed for the duration of the payment arrangement, subject to settlement of current amounts receivable. The terms of the payment arrangement have been honoured to date.

#### 16.8 Municipal debt write off

National Treasury instructed Eskom on 16 December 2024 to write off one-third of the overdue ringfenced debt in terms of the municipal debt relief programme for five municipalities to the value of R3.0 billion within 30 days, even though these municipalities have not fully complied with the conditions of the municipal debt relief programme at the close of their first cycle. National Treasury also confirmed that where these municipalities were not maintaining their current accounts, the shortfall of R3.5 billion should be settled in four instalments from January 2025 to April 2025, failing which National Treasury will consider the removal of the municipality's participation in the municipal debt relief programme. Eskom is engaging with National Treasury on the implications as these municipalities are not currently maintaining their current accounts.

National Treasury submitted write-off instructions for a further five municipalities on 17 January 2025. These municipalities were compliant with the municipal debt relief programme and one-third of their debt to the value of R0.1 billion will be written off within 30 days.

## 17. Restatement of comparatives

Eskom restated the financial statements at 30 September 2023 in line with the restatements that was done at 31 March 2024 because certain changes in the measurement of power station-related environmental restoration and mine-related closure, pollution control and rehabilitation provisions were incorrectly credited to profit or loss instead of deducted from the cost of the related generating plant and future fuel supplies assets in terms of IFRIC® I Changes in Existing Decommissioning, Restoration and Similar Liabilities. This restatement reported in the September 2023 income statement therefore represents the movement for the six month period.

Certain critical and strategic spares that met the definition of IAS 16 *Property, Plant and Equipment* were incorrectly classified as inventory.

The September 2023 statement of financial position and income statement have been restated to correct the errors as follows:

	Previously reported Rm	Adjustments Rm	Restated Rm
<b>Group statement of financial position at 30 September 2023</b>			
<b>Assets</b>			
<b>Non-current</b>			
Property, plant and equipment and intangible assets	672 946	1 050	673 996
Land, buildings and facilities	8 670	–	8 670
Generating plant	381 126	(1 286)	379 840
Transmitting plant	49 111	–	49 111
Distributing plant	75 988	–	75 988
Spares and other	14 818	2 336	17 154
Equipment and vehicles	4 060	–	4 060
Work under construction	135 813	–	135 813
Intangible assets	3 360	–	3 360
Future fuel supplies	6 415	(1 656)	4 759
Deferred tax	16 719	795	17 514
<b>Current</b>			
Inventories	27 769	(2 336)	25 433
<b>Equity</b>			
Capital and reserves	238 242	(2 147)	236 095
<b>Group income statement for the period ended 30 September 2023</b>			
Primary energy	(85 089)	221	(84 868)
Other expenses	(17 252)	(318)	(17 570)
Depreciation and amortisation expense	(16 837)	91	(16 746)
Profit before tax	2 250	(6)	2 244
Income tax	(632)	2	(630)
Profit for the year	1 618	(4)	1 614

The impacted notes to the interim financial statements have been updated where relevant because of the restatements. The restatements also resulted in various restatements in the segment reporting disclosures. The restatement had no overall impact on the statement of cash flows.

## 18. Exchange rates

	Unaudited 30 September 2024	Audited 31 March 2024	Unaudited 30 September 2023
Euro	19.24	20.51	19.92
United States dollar	17.28	18.98	18.83
Pound sterling	23.11	23.99	23.00
Japanese yen	0.12	0.13	0.13

## 19. Reportable irregularities

There have been no significant changes to reportable irregularities as disclosed in the annual financial statements for the year ended 31 March 2024.

# Notes to the condensed group interim financial statements continued

for the six months ended 30 September 2024

## 20. New standards and interpretations

### 20.1 Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, interpretations and amendments to existing standards have been published that are applicable for future accounting periods that have not been adopted early by the group. These standards and interpretations will be applied in the first year that they are applicable to the group which is the financial period beginning on or after the effective date.

Topic	Summary of requirements	Impact
Lack of exchangeability – amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> (1 January 2025)	<p>The amendments specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The amendments clarify:</p> <ul style="list-style-type: none"> <li>when a currency is exchangeable into another currency</li> <li>how a company estimates a spot rate when a currency lacks exchangeability</li> <li>the disclosure requirements for users to understand the impact of the currency not being exchangeable</li> </ul> <p>These amendments have to be applied prospectively.</p>	No impact on the group as all foreign currency transactions are exchangeable.
Classification and measurement of financial instruments – amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> (1 January 2026)	<p>The amendments specify:</p> <ul style="list-style-type: none"> <li>when a financial liability settled through an electronic payment system can be deemed to be discharged before the settlement date</li> <li>how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs</li> <li>new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs</li> </ul> <p>These amendments have to be applied prospectively.</p>	The group is assessing the impact of these classification and measurement requirements and will adopt them as required.
Contracts referencing nature-dependent electricity – amendments to IFRS 9 and IFRS 7 (1 January 2026)	<p>The amendments provide guidance on:</p> <ul style="list-style-type: none"> <li>the 'own-use' exemption for purchasers of electricity under such power purchase agreements</li> <li>hedge accounting requirements for companies that hedge their purchases or sales of electricity using power purchase agreements</li> <li>new disclosure requirements relating to contracts for nature-dependent electricity with specified characteristics</li> </ul> <p>These amendments have to be applied prospectively.</p>	The group is assessing the impact of the requirements and will adopt them as required.
Annual improvements volume II – amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> , IFRS 7, IFRS 9, IFRS 10 <i>Consolidated Financial Statements</i> and IAS 7 <i>Statement of Cash Flows</i> (1 January 2026)	<p>The amendments include the following:</p> <ul style="list-style-type: none"> <li>IFRS 1: clarifies hedge accounting wording inconsistencies with IFRS 9</li> <li>IFRS 7: aligns the terminology and concepts with IFRS 13 <i>Fair Value Measurement</i> and updates the implementation guidance to simplify aspects of the requirements that are not illustrated</li> <li>IFRS 9: updates cross-references for derecognition of lease liabilities and aligns terminology with IFRS 15 <i>Revenue from Contracts with Customers</i></li> <li>IFRS 10: clarifies inconsistencies relating to judgement when determining whether a party is acting as a de facto agent</li> <li>IAS 7: replaces 'cost method' with 'at cost' for consistency with IFRS Accounting Standards</li> </ul> <p>These amendments have to be applied retrospectively.</p>	The amendments are not expected to have a material impact on the group and will be adopted as required if applicable.
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> (1 January 2027)	<p>IFRS 18 will replace IAS 1 <i>Presentation of Financial Statements</i> while carrying forward many of the requirements in IAS 1 and introduces new requirements relating to:</p> <ul style="list-style-type: none"> <li>presentation of specified categories and defined subtotals in the statement of profit or loss</li> <li>disclosures on management-defined performance measures in the notes to the financial statements</li> <li>improved aggregation and disaggregation</li> </ul> <p>Some of the requirements in IAS 1 moved to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> and IFRS 7.</p>	The group is assessing the impact of these presentation requirements and will adopt them as required.
Sale or contribution of assets between an investor and its associate or joint venture – amendments to IFRS 10 and IAS 28 <i>Investments in Associates and Joint Ventures</i> (optional adoption, effective date deferred indefinitely)	<p>The amendments address the conflict between the guidance on consolidation and equity accounting when a parent loses control of a subsidiary in a transaction with an associate or joint venture. The amendments require that the full gain be recognised, when the assets transferred meet the definition of a business under IFRS 3 <i>Business Combinations</i>.</p>	No impact as the group is currently not disposing of any investments in associates or joint ventures.

**20.2 Standards, interpretations and amendments to published standards that are effective and applicable to the group**

Topic	Summary of requirements	Impact
Supplier finance arrangements – amendments to IAS 7 and IFRS 7 (1 January 2024)	<p>The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements.</p> <p>The amendment to IAS 7 describes the characteristics of a supplier finance arrangement and requires entities to provide qualitative and quantitative information about its supplier finance arrangements.</p> <p>The amendment to IFRS 7 added supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.</p> <p>These amendments have to be applied retrospectively.</p>	No impact as there are currently no supplier finance arrangements.
Lease liability in a sale and leaseback – amendment to IFRS 16 Leases (1 January 2024)	<p>The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction by specifying that a seller-lessee measures the lease liability arising from a sale and leaseback transaction in such a way that it does not recognise any amount of the gain or loss that relates to the retained right-of-use asset. These amendments have to be applied retrospectively.</p>	No impact as there are currently no sale and leaseback transactions.
Classification of liabilities as current or non-current and non-current liabilities with covenants – amendments to IAS 1 (1 January 2024)	<p>The amendments clarify the requirements of determining if a liability is current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> <li>• what is meant by a right to defer settlement</li> <li>• that a right to defer must exist at the end of the reporting period</li> <li>• that classification is unaffected by the likelihood that an entity will exercise its deferral right</li> <li>• that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification</li> </ul> <p>These amendments have to be applied retrospectively.</p>	No impact as there are currently no financial liabilities with a right to defer settlement.

# Appendix – abbreviations, acronyms and definitions

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## Accounting, audit and other financial terms

EBITDA	Profit before depreciation and amortisation expense and net fair value and foreign exchange (loss)/gain
IAS® Standards	International Accounting Standard/(s)
IFRIC® Interpretations	International Financial Reporting Interpretations Committee Interpretations
IFRS® Accounting Standards	International Financial Reporting Standards as issued by the International Accounting Standards Board
R	Rand
Rm	Rand millions
VAT	Value Added Tax

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## Accounting, audit and other financial terms

IAS 1	Presentation of Financial Statements
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 28	Investments in Associates and Joint Ventures
IAS 34	Interim Financial Reporting
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 5	Non-current Assets Held-for-Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 18	Presentation and Disclosure in Financial Statements

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## Entities

EFC	Eskom Finance Company SOC Ltd
Escap	Escap SOC Ltd
Eskom	Eskom Holdings SOC Ltd
Group	Eskom Holdings SOC Ltd and its subsidiaries
NTCSA	National Transmission Company South Africa SOC Ltd

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## Legislation

Companies Act	Companies Act, 71 of 2008
Eskom Debt Relief Act	Eskom Debt Relief Act, 7 of 2023
Eskom Debt Relief Amendment Act	Eskom Debt Relief Amendment Act, 5 of 2024
Electricity Regulation Amendment Act	Electricity Regulation Amendment Act, 38 of 2024
PFMA	Public Finance Management Act, 1 of 1999

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## Other

Board	Board of Directors
CA(SA)	Chartered Accountant of South Africa
CFO	Chief Financial Officer
Exco	Executive Committee
IPP	Independent Power Producer
NERSA	National Energy Regulator of South Africa
OCGT	Open Cycle Gas Turbine
SARS	South African Revenue Services

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